

25X1A

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6 November 1963

Purpose of Meeting

To establish direction for Itek to follow in terminating 9040/9045 per TWX 3669.

Premise Stated by [] 25X1A

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1. Ship total inventory west for storage (estimated 18 months)
 2. Government will receive offers from Itek for any part of the inventory subject to security requirements (Itek feels it has the right of first refusal).
 3. Material stored in Government control secure warehouse facility.
 4. In general, we shall attempt to maintain unit identity (example - West Coast w/06 and Units 02, 04, 06, 07, 08 and 09 will remain assembled as units. All other units to be stored as kits).
- However, Itek will respond that its recommendation is to store the units on the East Coast (near Itek), recognizing that much can be accomplished at the meeting, we should continue with the plan subject to review and approval of Itek management.
- A. The details of the plan have been assembled under the following categories:
1. packaging, storage and handling
 2. security
 3. inventory and forms
 4. subcontracts
 5. contract matters (plan, % complete, etc.)
 6. West Coast

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B. Further details:

1. HAPL #5 - Assemble for storage
2. HAPL #14 - Assemble for storage
3. HAPL #15, 16 and 17 - Glass stored by HAPL #
4. Storage of all other glass in an approved manner.
5. Units:
 - a. Unit 06 - Store in can (as is) with Instrument Log Book.
 - b. Unit 04 - Store in can (as is) with Instrument Log Book.
 - c. Unit 02 - Install HAPL #5 - store in crate
 - d. Unit 07 - HAPL #13, store in can, install lens
 - e. Unit 08 - Store in crate, store HAPL #11 in separate box within crate.
 - f. Unit 09 - Store in crate (separate box for HAPL #14 within crate).
6. Modify three (3) transit cases.
7. Packaging and preservation
 - a. Commercial practice for 18 months.
 - (1) Polyethylene wrap where practical.
 - b. Standard wooden crate - 40 cube where feasible.
 - c. Protection and instructions will be provided for special cases.
 - d. Steel bands around boxes
 - e. Code name ' and identification on all boxes
 - f. Film (exposed Unit 2, 4 and 6)
 - g. Records
 - (1) paper
 - (a) pronto files
 - (b) water proof paper
 - (c) stored in 40 cube box
 - (2) Drawings
 - (a) use standard storage procedures
 - (b) shipment is directed by Government F.O.B.

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Lexington, Waltham and Palo Alto.

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8. Subcontracts

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- a. Dispose of materials at least cost to government.
- b. contract will be completed
- c. Tooling drawings will be stored
- d. Return to Itek all tooling and materials not sold or scrapped.
- e. Disposition of Beryllium material. (15 Lens cells and 23 Mirrors - individual consideration.)
- f. Procedures to be used:
 - (1) use company format
 - (2) approvals of subcontracts settlement claims
 - (a) - under \$2,500
 - (b) - over \$2,500 and unusual claims less than \$2,500.
 - (3) The contractor is responding to settle all claims as quickly as possible at the least cost to the government.
- g. List of all materials that can be returned for credit. Screen for action.
 - (1) Maximum - Minimum
 - (2) USE by other projects or make offer.

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9. Inventory and forms

- a. See section 4 for unit identity philosophy.
- b. Listing on IBM format to be determined.
- c. Card deck (IBM) to be delivered to 25X1A
- d. Two (2) copies of accountability transfer to be mailed to 25X1A

10. West Coast (Itek, Vidya)

- a. Ship yellow dolly to Boston
- b. Ship to West the Transit Case after modification
- c. Install unit 06 in the transit case.

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- d. Package for storage all unit equipment.
- e. Package for storage all T & C
- f. Package for storage all Spares
- g. Determine disposition of West Coast DRT
- h. Paperwork - see "Security, Item B.12.
- 11. Contract matters, etc.
 - a. A plan will be prepared containing:
 - (1) milestone schedule
 - (2) manpower curve
 - (3) task statements
 - (4) price (9093/94 estimated cost to accomplish)
 - b. A percentage completion analysis will be prepared.
 - c. We will voucher out, 9093/94 (invoices will show "Term K's - BT-1943 and IK-4666)
 - d. Bank notified?
 - e. Will negotiate any outstanding TD's to adjust K base.
 - f. One cost center for termination costs (9093) and one for settlement expenses (9094).
 - g. DRT up-dated and put on facility K.
 - h. Prepare story for three (3) pieces window glass.
 - i. Can funding be obligated from 9045 to 9040?
- 12. Security
 - a. Basic security ground rules remain the same during termination.
 - b. Personnel clearance status:
 - (1) debrief those not having need for "C" clearance or not required for termination settlement.
 - (2) prepare "L" debriefing statement for "L" people going to "C".
 - c. No special security for material packaging and crating - Courier will be supplied by government as required.

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- d. Classified documentation:
- (1) required documentation to be stored with equipment at government facility - complete inventory required (keep amount at minimum).
 - (2) required documentation at contractor's facility during termination and settlement. Complete inventory required (keep amount at minimum).
 - (3) all other classified documentation to be destroyed. Certification of destruction to government provided.
- e. Meeting will be held regarding security disposition at Palo Alto.
- f. Termination of 9040/45 for convenience of customer due to funding problem.
- g. All technical contract and security directions will be issued by respective representatives:
- (1) Technical - [redacted] 25X1A
 - (2) Contract - [redacted] 25X1A
 - (3) Security - [redacted]
- h. Requests for release or removal of any part of termination inventory must be processed through Los Angeles - [redacted] 25X1A

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ILLEGIB

Company Policy No. CA-1

QUICK ACTION TERMINATION PROCEDURE

A. Scope

All Departments. All contracts, including Commercial and Government.

B. Policy

This procedure shall be followed for quick action on any contract being completely or partially terminated. For detailed procedure to be followed, see * Contract Termination Policy.

C. Objectives

1. To notify immediately all Ittek personnel and outside vendors concerned of complete or partial contract termination.
2. To specify immediate action to be taken by each organizational unit concerned.

D. Procedure

1. Upon receipt of a Notice of Termination, either complete or partial, the Contract Manager shall immediately notify all departments concerned. He shall communicate with such personnel in any manner he deems necessary and will request the organizational units set forth below to initiate the following action:
 - a. Project Manager - The Project Manager, or his designate, shall notify all project personnel concerned with the portion of the contract terminated, to stop all work thereon immediately. He shall request the collection, inventory listing and storage of all completed or partially completed plans, drawings, information, materials, etc., which if the contract had been completed, would have been required to be furnished to the customer and shall forward this inventory listing to the Contract Manager.
 - b. Purchasing - Purchasing shall place no further orders or subcontracts for materials, services, or facilities. It shall terminate all existing orders or subcontracts (on that portion of the contract which has been terminated) by the fastest method possible, i.e., telegram, telephone, etc., to be followed up with formal written notice. Purchasing shall obtain settlement proposals from vendors on outstanding orders and subcontracts, as well as final inventories on finished work, work in process, etc., in vendors hands. All information regarding these matters shall be forwarded by Purchasing to the Contract Manager.

* To be implemented at a later date.

QUICK ACTION TERMINATION PROCEDURE

- c. Accounting - Accounting shall notify all accounting personnel of the termination and set up the accumulation of termination costs on the project or sub-phases concerned.
 - d. Property - Property shall establish an inventory of capital equipment and/or Government Furnished Property obtained on the terminated portion of the contract and coordinate all departmental effort on inventories required. Such inventories shall be segregated and marked. The information will be forwarded to the Contract Manager.
 - e. Security - Security shall establish an inventory of classified documents, contracts, reports, etc. relating to the terminated portion of the contract and shall forward the inventory listing to the Contract Manager.
 - f. Quality Control - Quality Control shall stop all work on the project or sub-phases of the project as directed.
 - g. Production Control - Production Control shall notify immediately all manufacturing personnel to stop work on the terminated portion of the contract and segregate and establish an (descriptive only) inventory listing of raw materials, in-process materials, special tooling, jigs, dies and fixtures and finished goods for which Itek is to be reimbursed under the contract. This information shall be submitted to the Contract Manager.
 - h. The following shall be notified immediately for informational purposes:
 - (1) Company Officers
 - (2) Personnel
 - (3) Plant Facilities
 - (4) Division Heads
 - (5) The Manager of Contracts
2. The Contract Manager shall follow-up oral instructions with the distribution of a memorandum Termination Action Notice which identifies the sub-phases affected by the termination. Each copy will be stamped "Termination Action Notice."

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